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ABSTRACT

This report provides information on Florida's community college costs by examining changes and patterns in revenues, FTE student counts, and expenditures. A supplement to "Program Evaluation and Justification Review: Florida's Community College System, Report No. 98-06," this document analyzes community college revenue and expenditures from two different perspectives: (1) system-level changes in revenues and spending patterns over time; and (2) revenue and expenditure differences among the 28 colleges. Financial analyses cover a seven-year period, from 1990-91 through 1996-97. In constant dollars, the Florida Community College System's total revenues and spending have grown in the last seven years. State appropriations and student tuition accounts for most of the total revenues, constituting 91% of the total revenues in fiscal year 1996-97. Total revenues exceeded total expenditures slightly because community colleges have some funds that are unallocated. Bar graphs illustrate financial statistics. Appended are expenditure differences per FTE student among community colleges (1996-97), and changes in administrative and instructional expenditures among community colleges (1990-91 to 1996-97). (Contains 14 graphs.) (AS)

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ED 425 779

Program Evaluation and Justification Review

Supplemental Analysis: Community College Revenues and Expenditures

August 1998

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Report No. 98-07

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The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY

John W. Turcotte, Director

August 1998

The President of the Senate,
the Speaker of the House of Representatives,
and the Legislative Auditing Committee

This report is a supplemental analysis to OPPAGA's *Program Evaluation and Justification Review: Florida's Community College System,* Report No. 98-06, issued August 1998, which was conducted in accordance with the Government Performance and Accountability Act of 1994. The results of this review are presented to you in this report. This review was conducted by Tim Elwell, Yvonne Bigos, Glenn Chavis, Dorothy Gray, and Steve Smith under the supervision of Jane Fletcher.

We wish to express our appreciation to the staff of the Department of Education for their assistance.

Sincerely,

John W. Turcotte
Director

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Introduction

This report, which is part of the Program Evaluation and Justification Review required by law, provides information on Florida's community college costs by examining changes and patterns in revenues, FTE student counts, and expenditures. This information provides a context for understanding the performance conclusions and policy considerations presented in *Program Evaluation and Justification Review: Florida's Community College System*, OPPAGA's Report No. 98-06, August 1998. Specifically, this supplemental report analyzes community college revenue and expenditures from two different perspectives:

(1) system-level changes in revenues and spending patterns over time; and

(2) revenue and expenditure differences among the 28 colleges.

The revenue and expenditure analyses cover a seven-year period, from Fiscal Year 1990-91 through Fiscal Year 1996-97. When making comparisons across years, revenues and spending totals were adjusted to the Consumer Price Index (CPI) for the 1991 base year.

Analysis

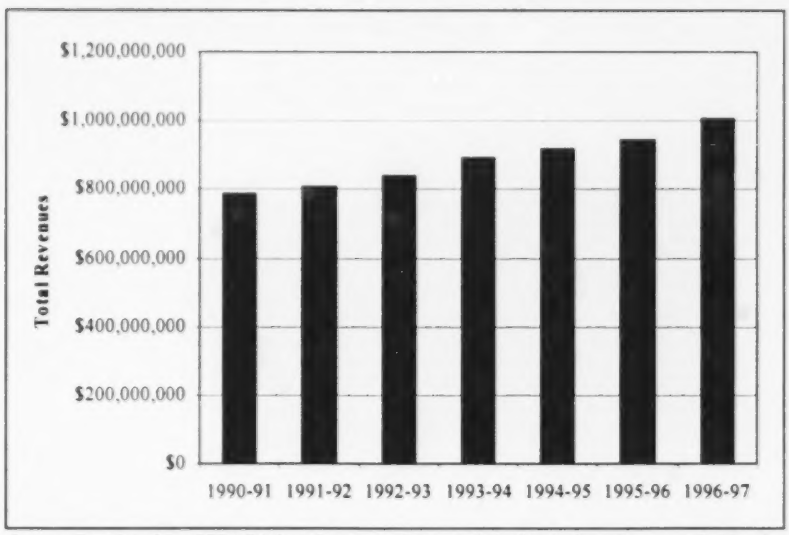
In constant dollars, the Community College System's total revenues and spending have grown in the last seven years.

State appropriations (lottery and general revenue) and student tuition account for most of the total revenues for Florida's community colleges. State appropriations and student tuition accounted for 91% of the total revenues in Fiscal Year 1996-97. Miscellaneous revenue sources, which account for approximately 9% of the total revenues, include federal support, interest income earned, private gifts and donations, local government support, monies collected from sales and services such as bookstores, and additional types of student fees (e.g., lab fees) collected. Total revenues exceed total expenditures slightly because community colleges have some funds that are unallocated.

As shown in Exhibit 1, total revenues for community colleges have increased in the last seven years.

- Unadjusted for inflation, community college revenues grew by 28% between 1991 and 1997, from $785,532,079 to $1,005,882,005.
- Adjusted for inflation (constant dollars), community college revenues grew by 8% in this same seven-year period, from $785,532,079 to $847,477,880.
- Between 1991 and 1997, total revenue per FTE student in constant dollars increased by $193, from $4,298 to $4,491.

Exhibit 1
Community College Revenue Has Increased Since 1991



Source: Developed by OPPAGA based on expenditure and funding information provided by the Division of Community Colleges

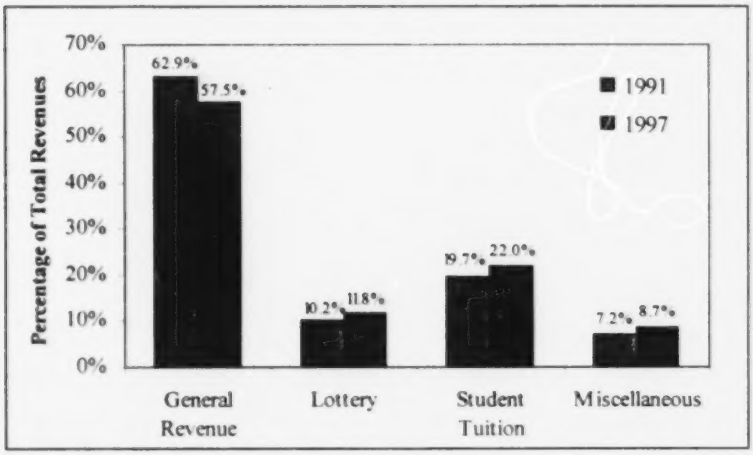
In constant dollars, the system is spending more today than it was seven years ago.

- From 1991 to 1997, the Community College System's unadjusted expenditures grew approximately 25%. Adjusted for inflation, the system's expenditures grew by 5% ($762 million to $801 million).
- In constant dollars, the system spent approximately $77 more per FTE student in 1997 ($4,247) than it did in 1991 ($4,170).

Since 1991, student tuition, lottery funds, and miscellaneous revenues have grown as sources of revenue for community colleges.

- In constant dollars, lottery funds and miscellaneous revenues have had the fastest rate of growth since 1991, 24.6% and 30.6% respectively. During this same time period, student tuition grew by a rate of 20.5% and general revenue declined by approximately 1.4%.
- However, as a percentage of total revenues, student tuition has shown the most growth since 1991. Student tuition represented approximately 19.7% of the total revenues for community colleges in 1991. In 1997, student tuition accounted for 22.0 % of the total revenues.
- In 1991, general revenue represented approximately 62.9% of the total revenues for community colleges. Seven years later in 1997, general revenue accounted for only 57.5% of the total revenues. (See Exhibit 2.)

Exhibit 2
Student Tuition, Lottery Funds, and Miscellaneous Revenues Account for a Larger Proportion of Community College Revenues Today Than Seven Years Ago



Source: OPPAGA analysis of funding information

Wide funding and spending differences exist among the 28 community colleges.

State appropriations per FTE student varies significantly among the 28 community colleges.

- In Fiscal Year 1997-97, there was a $3,191 difference between the colleges receiving the largest and smallest amounts of state appropriations per FTE student. Florida Keys Community College received $6,189 per FTE student from the state in Fiscal Year 1996-97 while Daytona Beach Community College received $2,988 per FTE student.

Expenditures for the various instructional programs vary significantly across the 28 community colleges. For instance, in 1997, Lake City Community College spent $6,722 per FTE on its Associate in Science program, while St. Johns River Community College spent $3,635 per FTE student. See Appendix A for expenditure variations.

- According to division staff, expenditure differences among colleges are generally due to differences in the salaries of the instructors and the number of students in the program. For vocational programs, expenditure differences can be due to the types of programs provided at a college (e.g., a nursing program is likely to be more expensive than a recreation technology program).

In constant dollars, most (23 of 28) of the colleges are spending more today than they were in 1991.

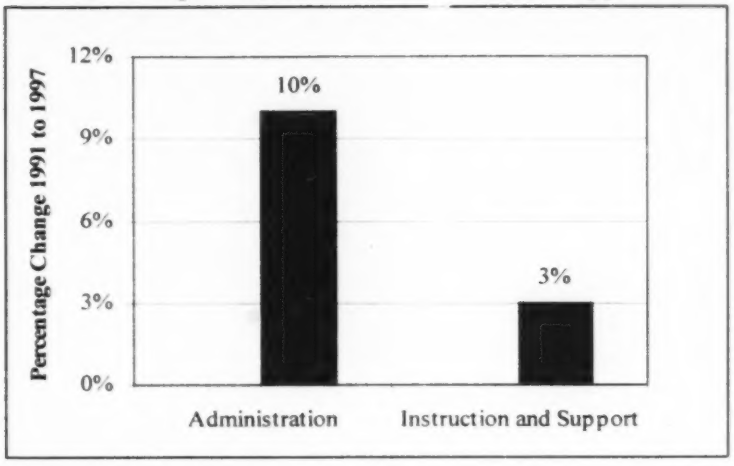
- In constant dollars, between 1991 to 1997, 23 of the 28 colleges experienced an increase in total spending when inflation is taken into account. Increases in total spending ranged from a 0.3% increase at Seminole Community College to a 27% increase at Valencia Community College. Five of the 28 colleges experienced a decrease in total spending. The largest decrease in total spending was -5%, which occurred at both Brevard and Miami-Dade.

- Most of the community colleges (18 of 28) spent more per FTE student in 1997 than they did in 1991. The largest increase in spending per FTE student occurred at Pasco-Hernando Community College, which spent approximately $1,000 more per FTE in 1997 ($4,467) than it did in 1991 ($3,503). Daytona Beach, with a decrease in per FTE student spending of over $700, experienced the largest decrease in spending per FTE.

The Community College System is spending more in constant dollars on administration today than it was seven years ago and consequently less on instruction and support.

- Between 1991 to 1997, the system's constant dollar administrative expenditures grew by approximately 10%, while expenditures for instruction and support grew by only 3%. As a result, the system's administrative expenditures in 1997 accounted for more of its total expenditures (31%) than in 1991 (29%). (See Exhibit 3.)
- In constant dollars, the system spent $83 more per student FTE on administration in 1997 ($1,299) than it did in 1991 ($1,216). Conversely, the system spent $2 less per student FTE on instruction and support in 1997 ($2,906) than it did in 1991 ($2,908).

Exhibit 3
Between 1991 and 1997, the System's Constant Dollar Expenditures on Administration Grew Three Times as Fast as Its Expenditures on Instruction and Support



Source: OPPAGA analysis of the Division of Community Colleges cost analysis

- Although the system as whole is spending more on administration since 1991, for 8 of the 28 colleges, administrative expenditures in 1997 accounted for less of their total expenditures than in 1991. For example, Daytona Beach spent 68% of its total expenditures on instruction in 1997 compared to 65% in 1991. See Appendix B for changes in administrative and instructional expenditures.

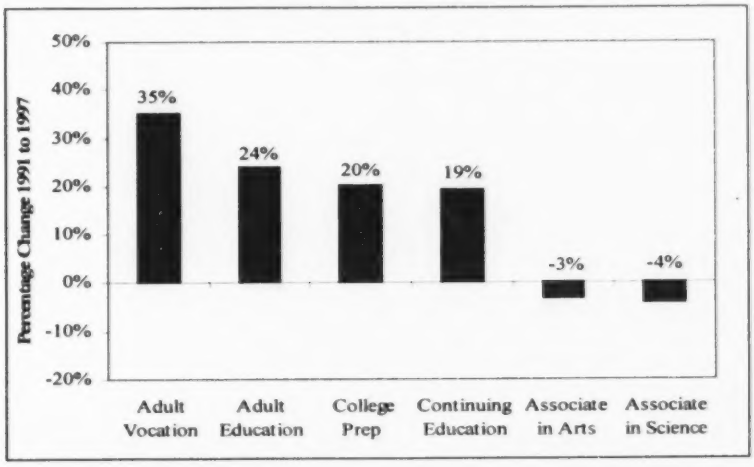
The Community College System is more efficient in producing degree and certificate completers today than it was seven years ago.

- The system spent approximately $3,000 less per degree and certificate in 1997 ($17,032) than it did in 1991 ($20,153).

The types of programs that community colleges are providing have changed in the last seven years. Most notably, judging from FTE student counts and program spending, the Postsecondary Adult Vocational Certificate Program appears to be increasing in importance.

- The Adult Vocational Certificate and Adult Education Programs have shown the most FTE student growth in the last seven sears. During this same time period, the FTE student counts for the Associate in Arts and Associate in Science programs have decreased. (See Exhibit 4.)
- As a percentage of the total FTE students served, the system experienced decreases in the FTE students served for the Associate in Arts and Associate in Science programs. Conversely, the system experienced increases in FTE students served for the Adult Vocational Certificate, Continuing Education, Adult Education, and College Preparatory programs.

Exhibit 4
The Postsecondary Adult Vocational Certificate Program Has Shown the Most Growth in FTE Students in the Last Seven Years

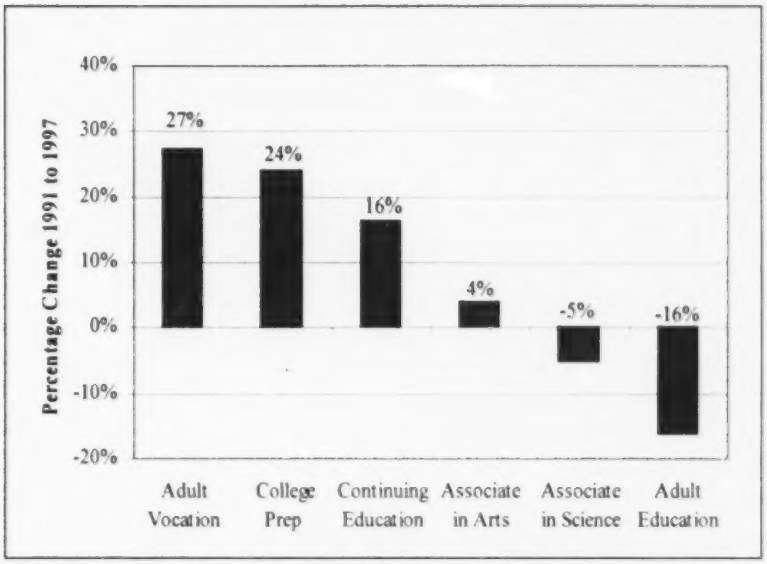


Source: OPPAGA analysis of FTE data provided by the Division of Community Colleges

- System expenditures for the Adult Vocational and College Preparatory programs have shown the most growth in the last seven years. During this same time period, system expenditures for Associate in Science and Adult Education programs actually decreased. (See Exhibit 5.)

- As a percentage of its total expenditures, the system is currently spending less on the following programs: Associate in Arts, Associate in Science, and Adult Education. Conversely, the system is spending more on Adult Vocational Certificate, Continuing Education, and College Preparatory programs.

Exhibit 5
Constant Dollar Expenditures for Adult Vocational Certificate Programs Have Shown the Most Growth in the Last Seven Years



Source: OPPAGA analysis of the Division of Community Colleges cost analysis

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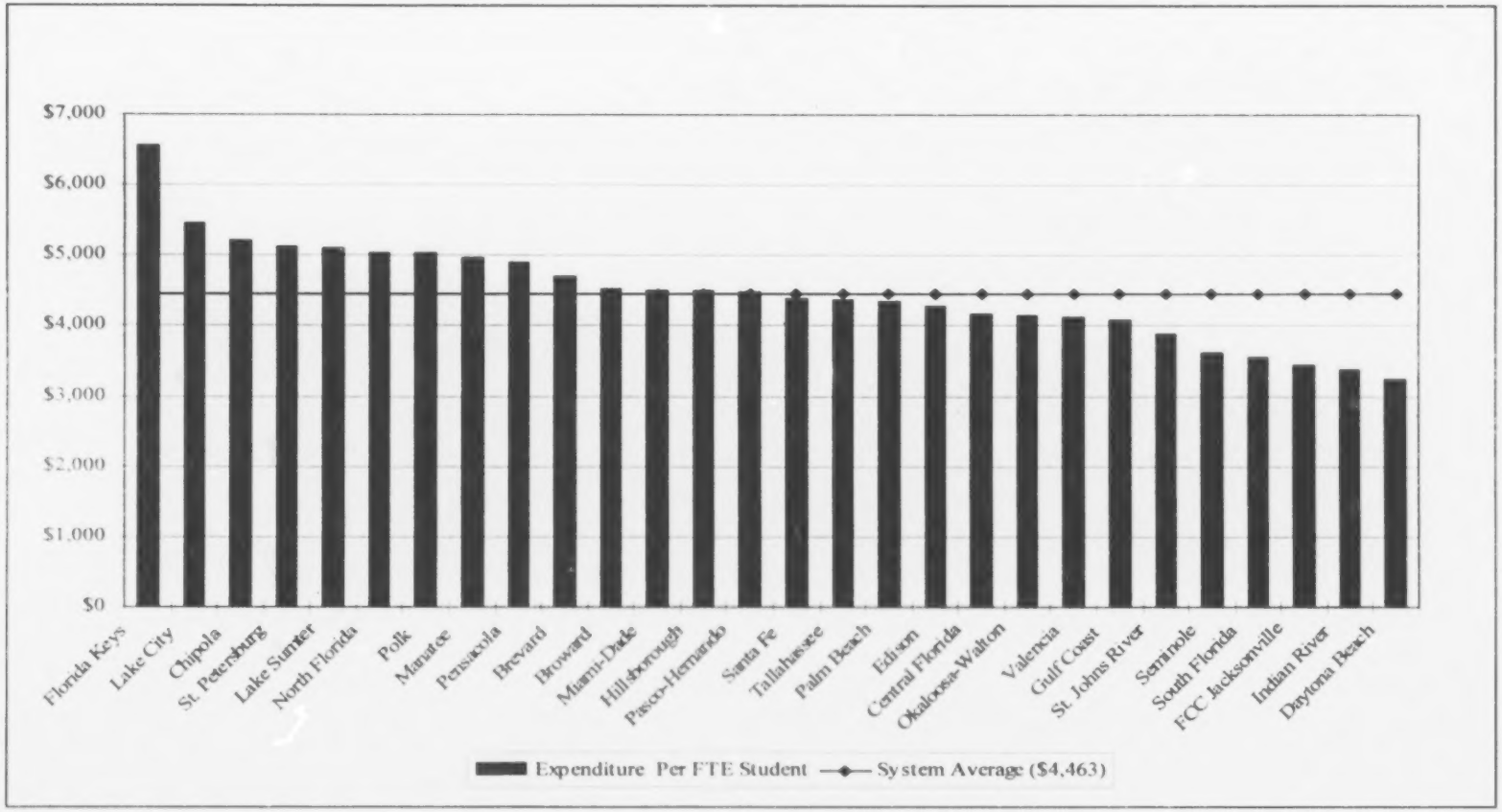
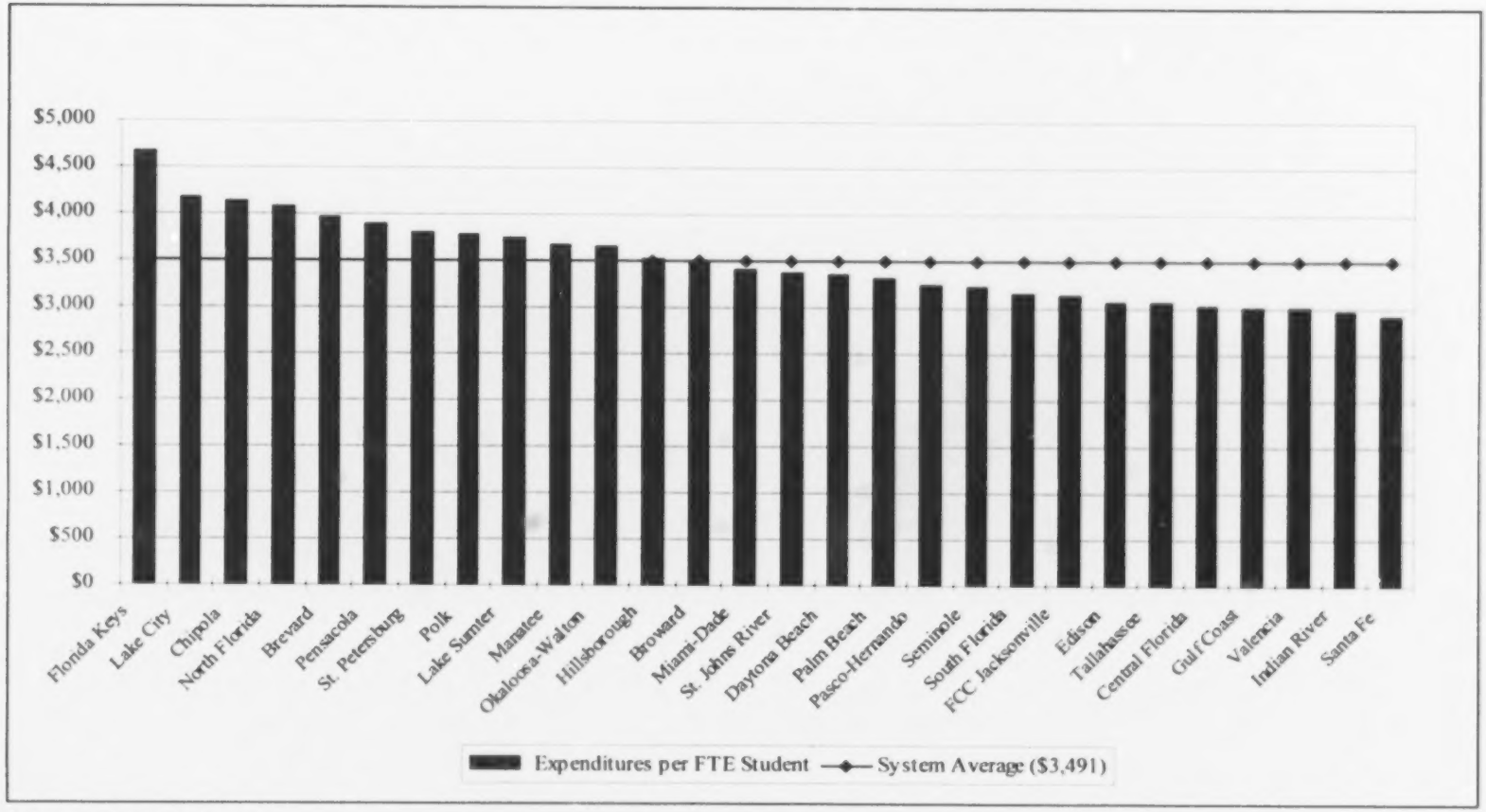
B. Changes in Administrative and Instructional Expenditures Among Community Colleges (Fiscal Years 1990-91 to 1996-97) 18

Exhibit A-1
Total Expenditures (Constant Dollar)
Per FTE Student Varied Among Community Colleges in 1996-97[1]



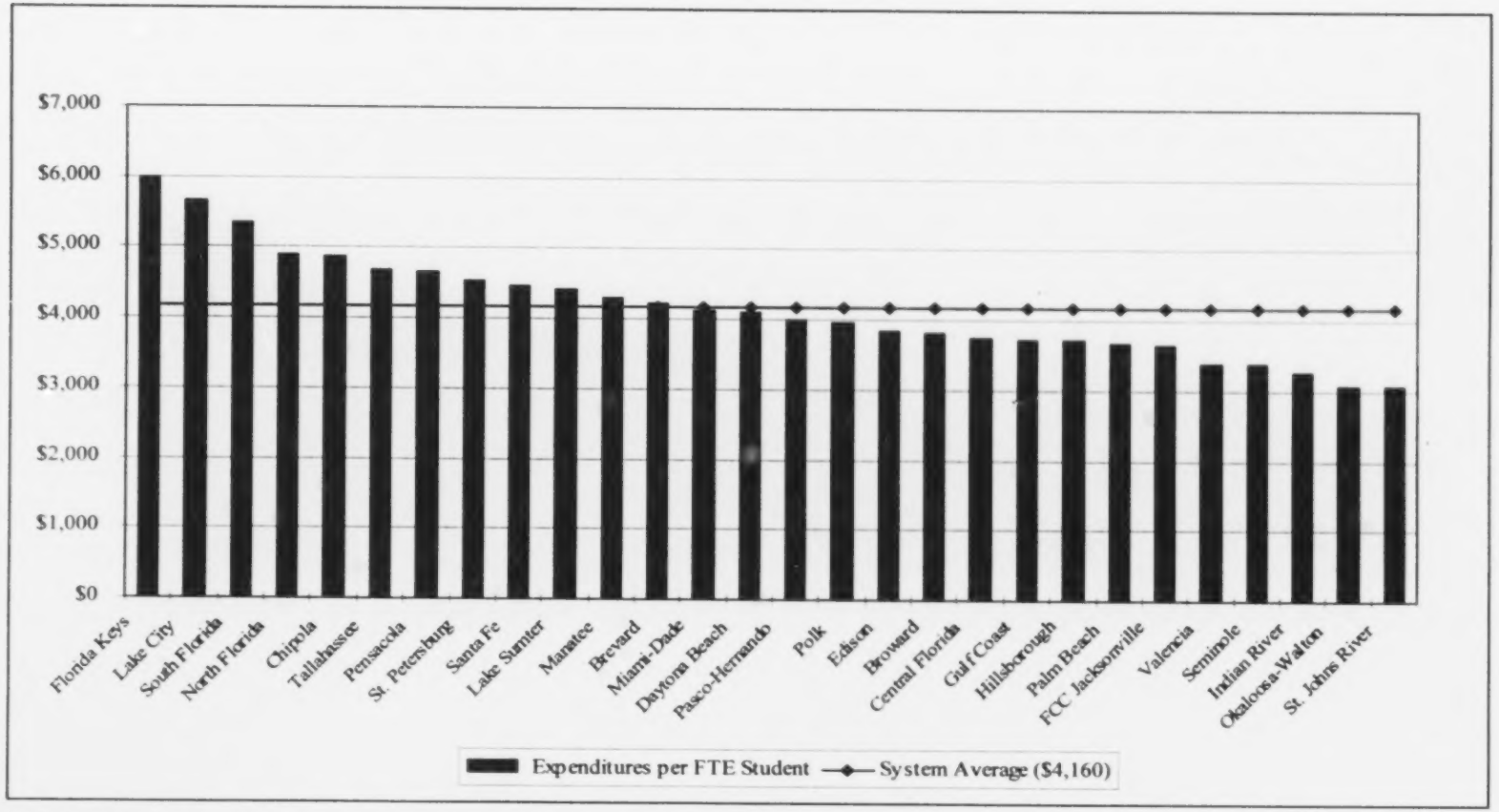
[1]CPI Adjusted to 1990-91 Base Year
Source: OPPAGA analysis of expenditure and student FTE information provided by the Division of Community Colleges

Exhibit A-2
Associate in Arts Program Expenditures (Constant Dollar)
Per FTE Student Varied Among Community Colleges in 1996-97[1]



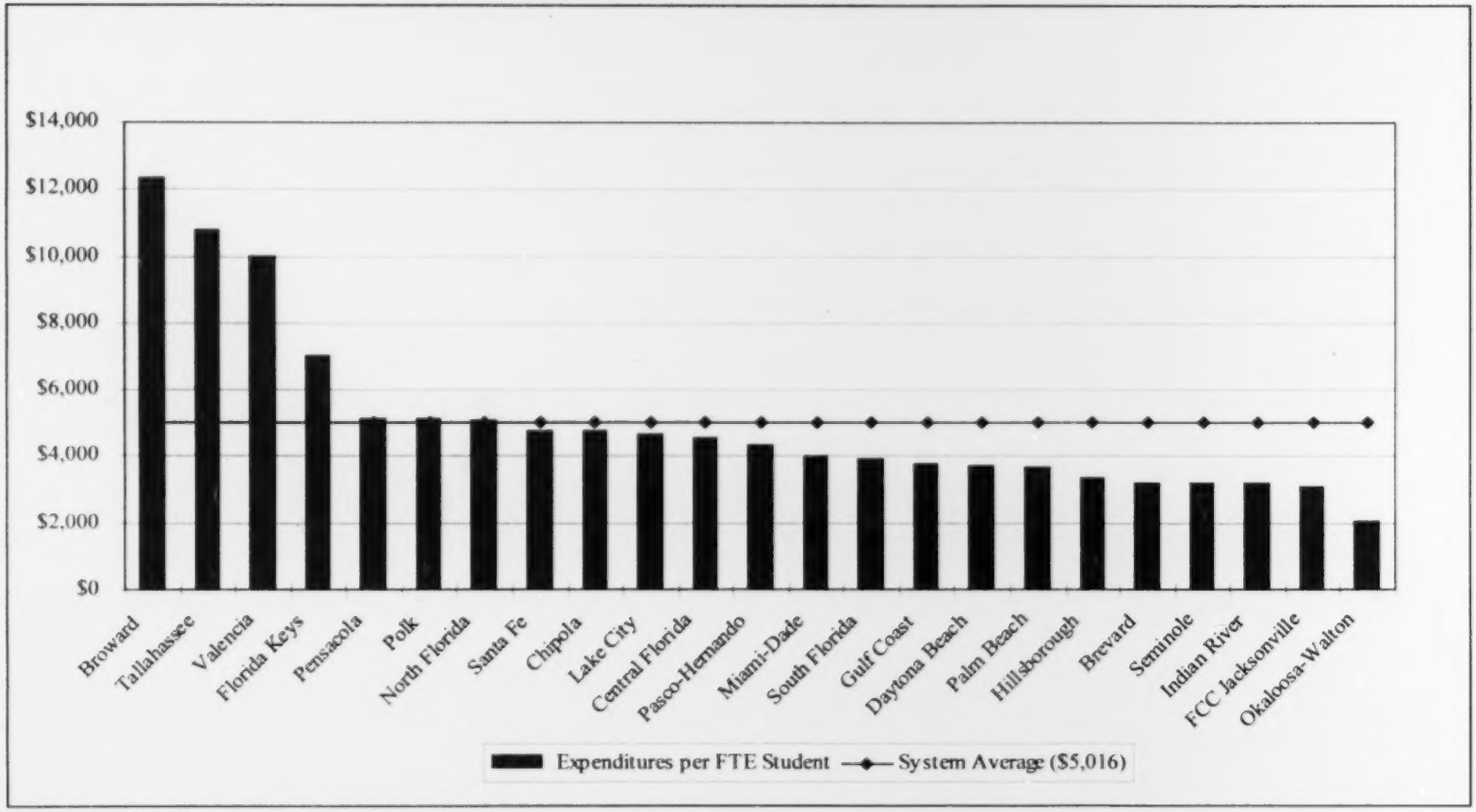
[1]CPI Adjusted to 1990-91 Base Year
Source: OPPAGA analysis of expenditures and student FTE information provided by the Division of Community Colleges

Exhibit A-3
Associate in Science Program Expenditures (Constant Dollar)
Per FTE Student Varied Among Community Colleges in 1996-97[1]



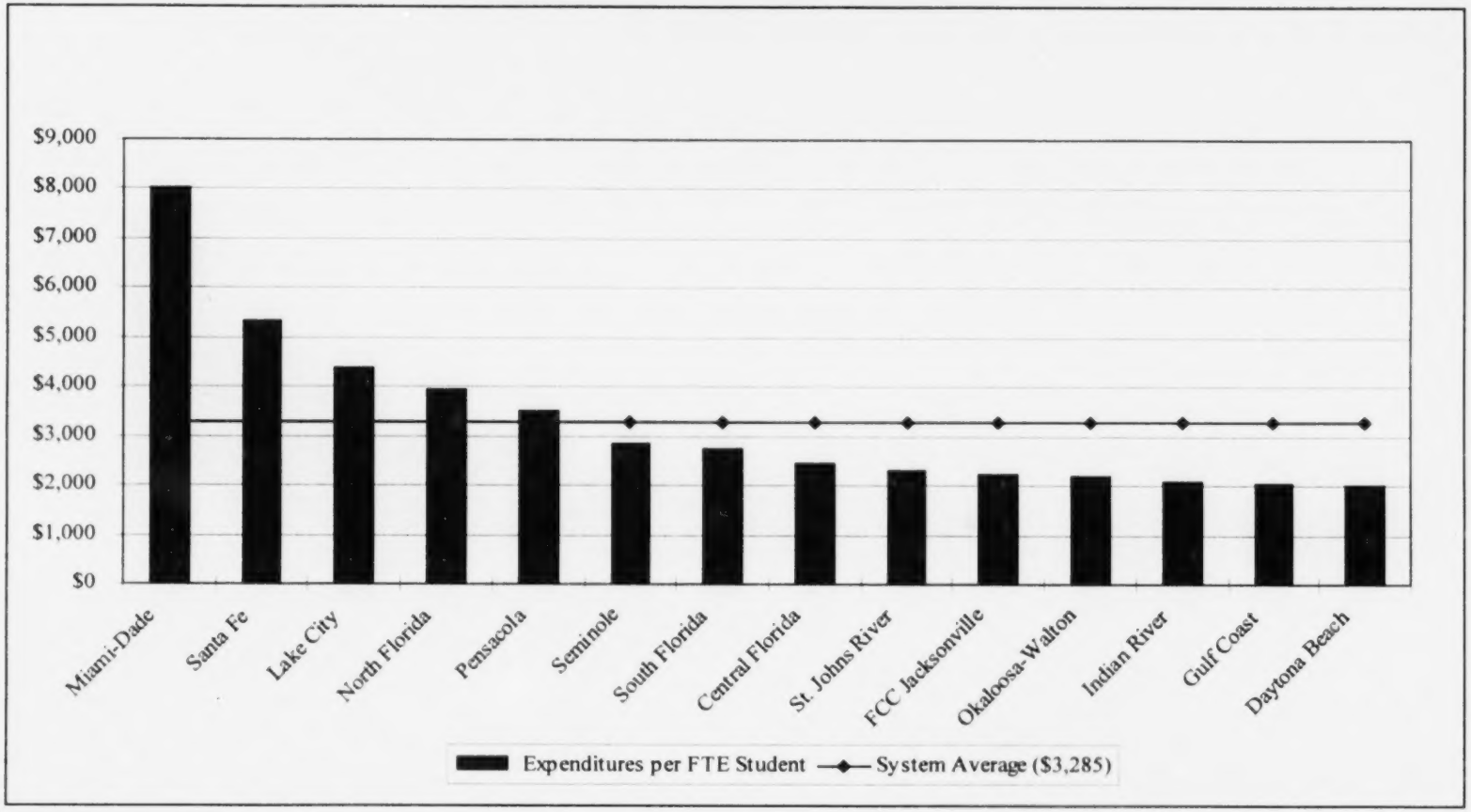
[1]CPI Adjusted to 1990-91 Base Year
Source: OPPAGA analysis of expenditure and student FTE information provided by the Division of Community Colleges

Exhibit A-4
Adult Vocational Program Expenditures (Constant Dollar)
Per FTE Student Varied Among Community Colleges in 1996-97[1]



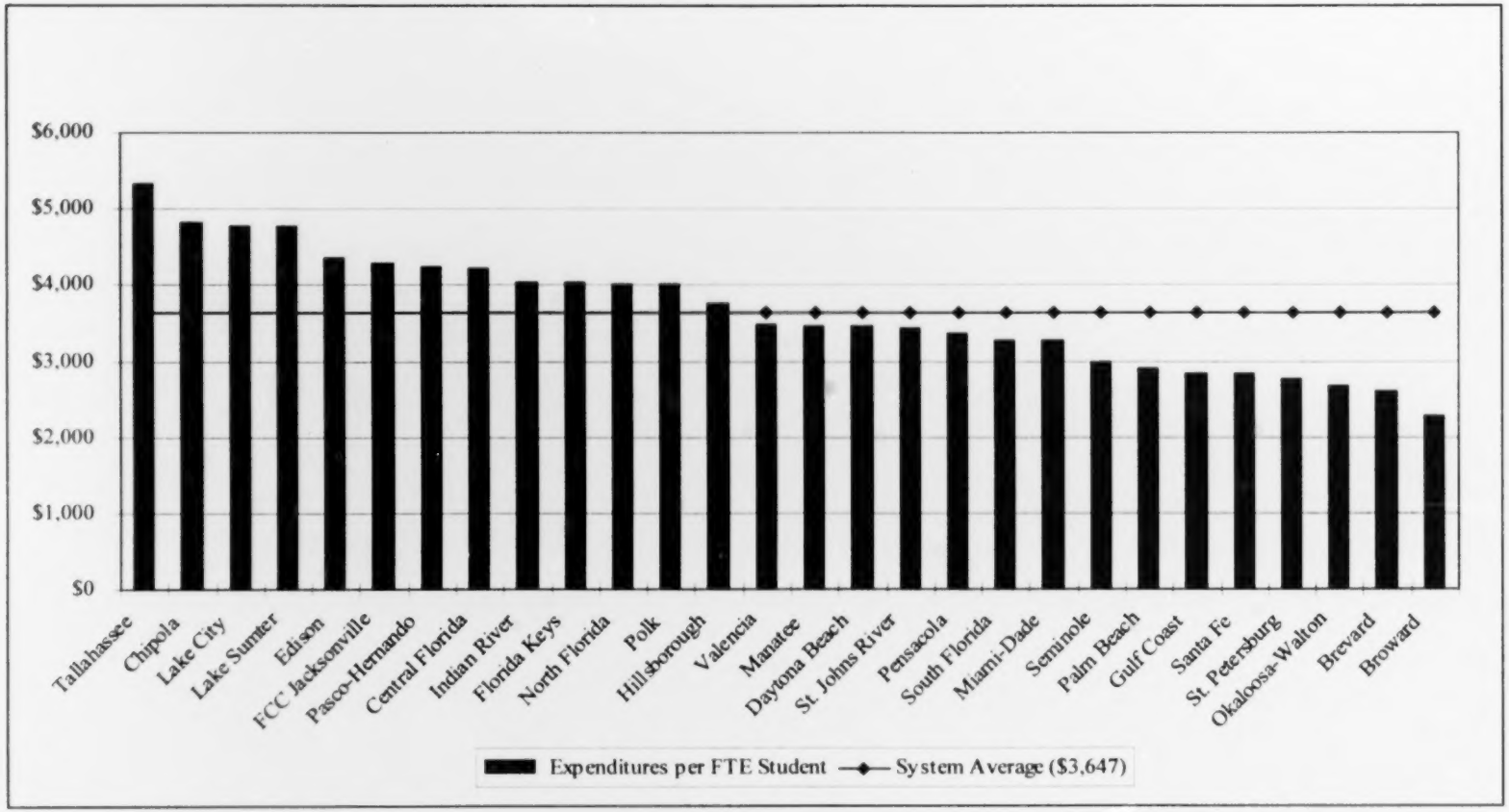
[1]CPI Adjusted to 1990-91 Base Year
Source: OPPAGA analysis of expenditure and student FTE information provided by the Division of Community Colleges

Exhibit A-5
Adult Education Program Expenditures (Constant Dollar)
Per FTE Student Varied Among Community Colleges[1]



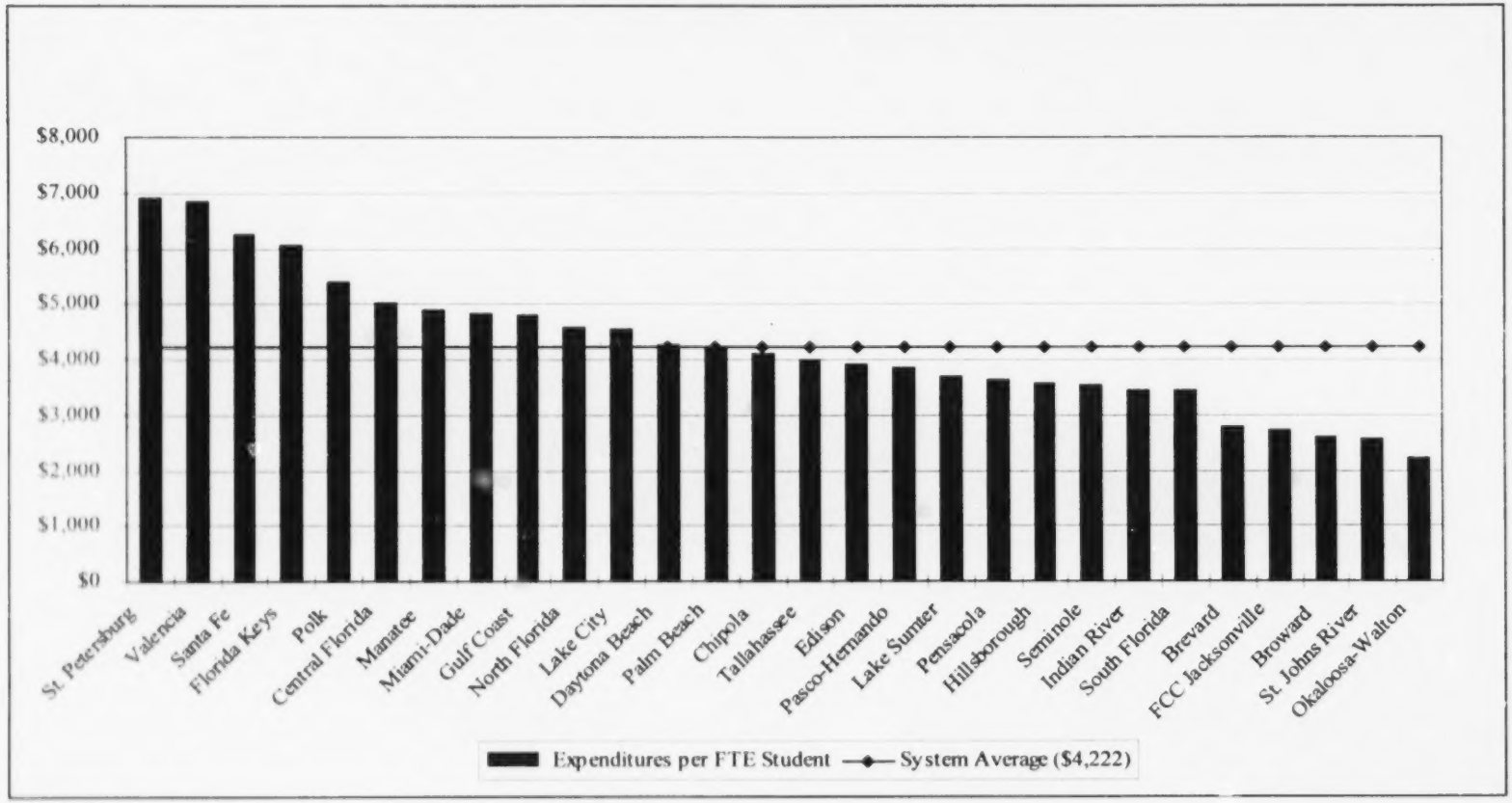
[1]CPI Adjusted to 1990-91 Base Year
Source: OPPAGA analysis of expenditure and student FTE information provided by the Division of Community Colleges

Exhibit A-6
College Preparatory Program Expenditures (Constant Dollar)
Per FTE Student Varied Among Community Colleges in 1996-97[1]



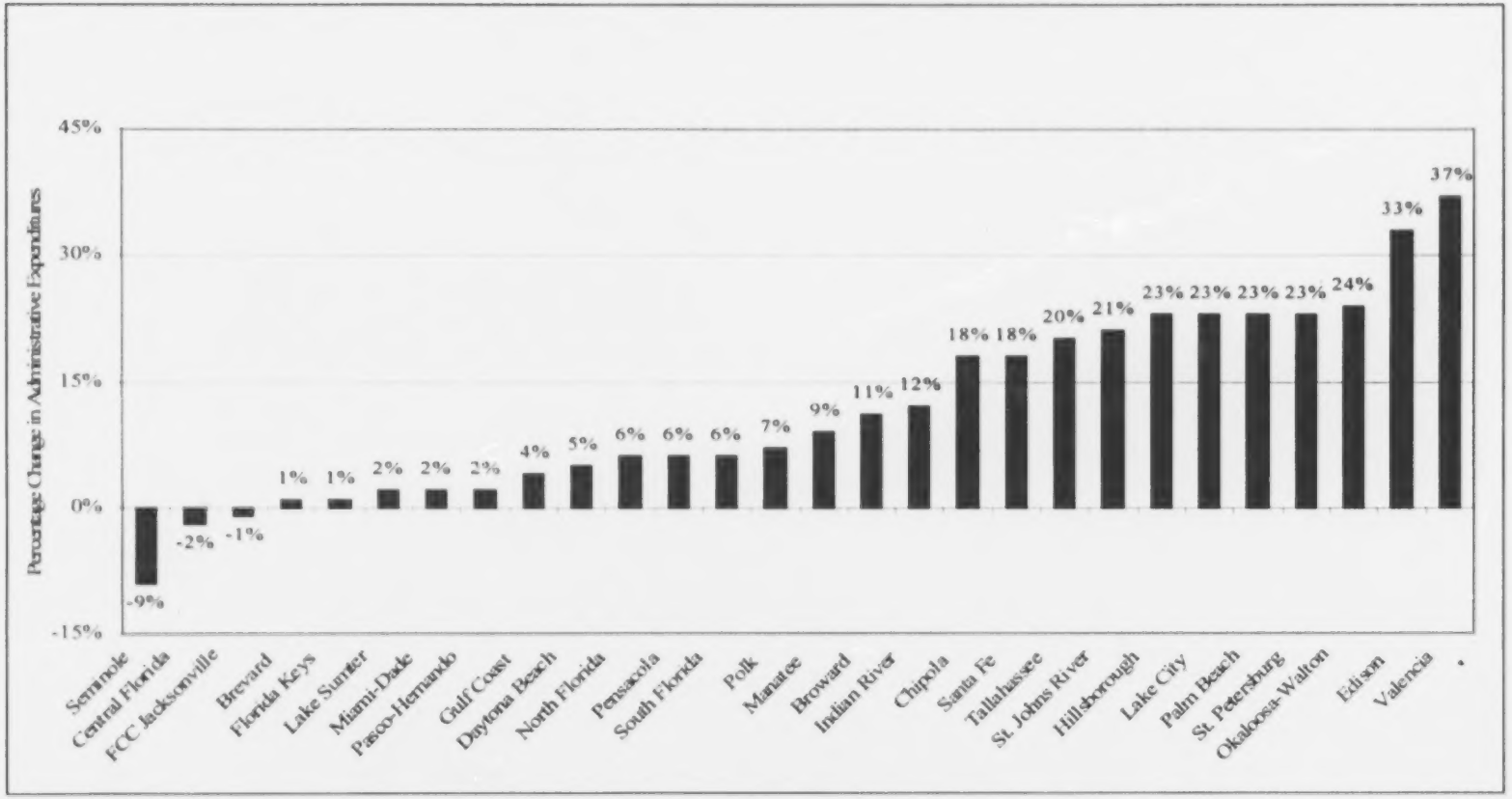
[1]CPI Adjusted to 1990-91 Base Year
Source: OPPAGA analysis of expenditure and student FTE information provided by the Division of Community Colleges

Exhibit A-7
Continuing Education Expenditures (Constant Dollar)
Per FTE Student Varied Among Community Colleges in 1996-97[1]



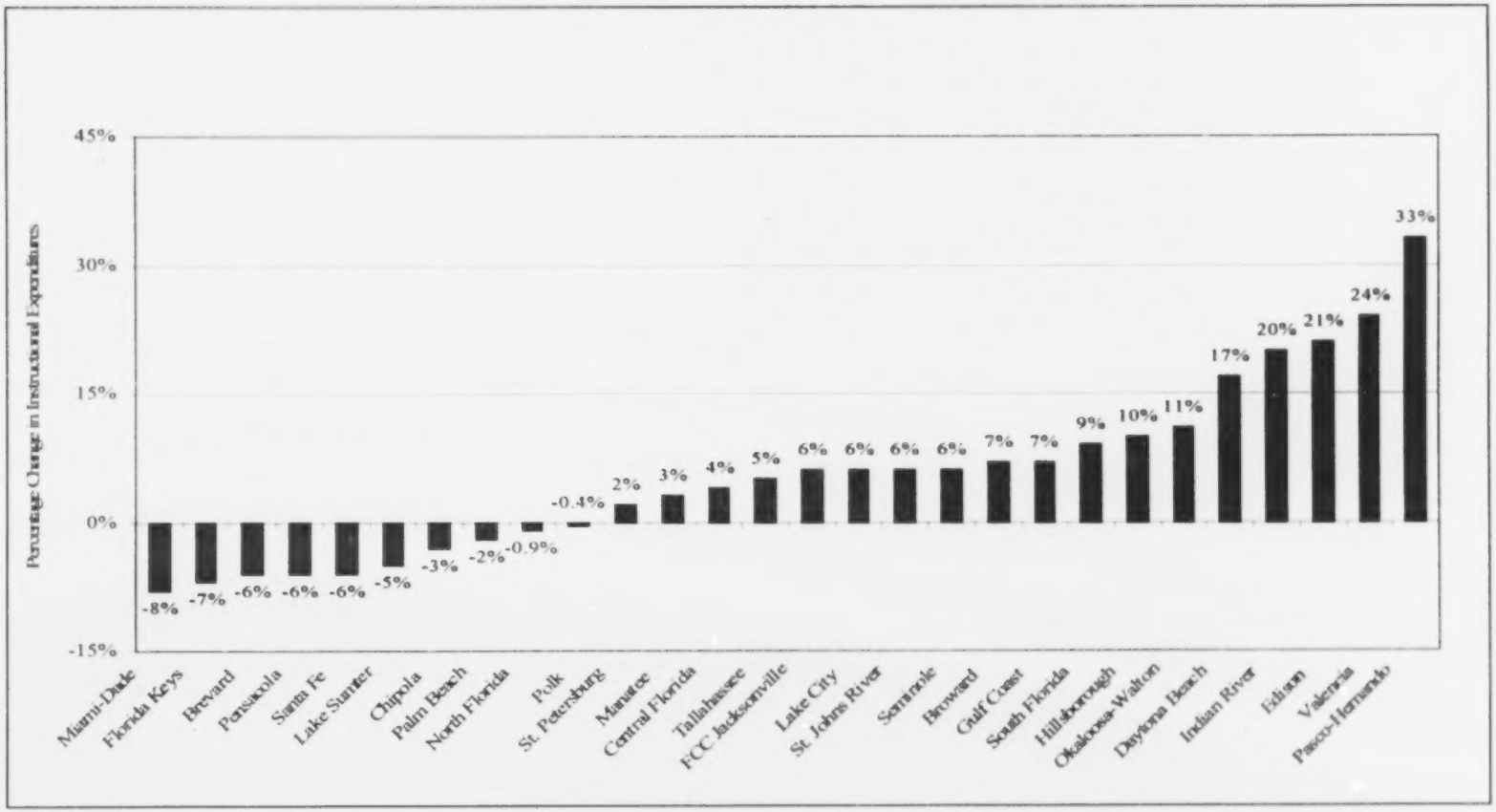
[1]CPI Adjusted to 1990-91 Base Year
Source: OPPAGA analysis of expenditure and student FTE information provided by the Division of Community Colleges

Exhibit B-1
In Constant Dollars, Most Colleges Are Spending More on Administration Today Than in 1991



Source: OPPAGA analysis of expenditure information provided by the Division of Community Colleges

Exhibit B-2
In Constant Dollars, Several Colleges Are Spending Less on Instruction and Support Today Than in 1991



Source: OPPAGA analysis of expenditure information provided by the Division of Community Colleges

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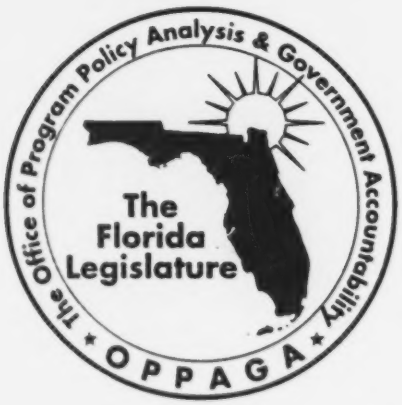

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Gena Wade, FGAR Coordinator (850)487-9245

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